

CDCI ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

CFBanc Corporation/City First Bank of DC, NA

Point of Contact:	Kimberly J. Levine, EVP, COO & CFO	RSSD: (For Bank Holding Companies)	2697945
UST Sequence Number:	900	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	5,781,000	FDIC Certificate Number: (For Depository Institutions)	34352
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	September 17, 2010	City:	Washington
Date Repaid ¹ :	N/A	State:	District of Columbia

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

During 2011 almost \$50 million in new loans commitments were originated increasing our outstanding loan balance at December 31, 2011 by almost \$23 million over the December 31, 2010 balance.

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☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

Consistent with its mission, the Bank continued to provide financing to economically distressed target markets. During this period small business loans, commercial mortgages and residential mortgages primarily for affordable housing in low to moderate income areas were originated.

☒ **Increase securities purchased (ABS, MBS, etc.).**

During 2011, the Bank purchased \$7 million in callable agency securities and 10 to 15 year mortgage backed securities.

☐ **Make other investments.**

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☒ **Increase reserves for non-performing assets.**

During 2011, the Allowance for Loan Losses increased by \$1.5 million attributable to both growth in the loan portfolio and increased risk exposure on several substandard loans.

☐ **Reduce borrowings.**

☐ **Increase charge-offs.**

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☐ Purchase another financial institution or purchase assets from another financial institution.

☒ Held as non-leveraged increase to total capital.

While the Bank's risk based capital ratio decreased from 24.05% at December 31, 2010 to 20.70% at December 31, 2011, levels are sufficiently high to permit further leverage for funding new loan demand.

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

n/a

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

n/a

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

n/a